

Value-Based Insurance Design Strategy

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Value-Based Insurance Design Overview

- Decrease cost-sharing for high-value services
 - e.g., disease management, smoking cessation, generic medications
- Increase cost-sharing for low-value services
 - e.g., certain back surgeries
- To date, most VBID initiatives have focused on decreasing cost-sharing
 - Few have increased cost-sharing for low-value services, but becoming more common.



VBID Efforts to Date

- March and June 2012: Council discussed consumer-driven plans at March and June, 2012 meetings
 - Agreement that alternative insurance designs are needed to reduce costs and improve quality/outcomes
- September 2012: Initial discussion of different value-based purchasing approaches
- December 2012: Narrowed focus to VBID
 - Presentations from University of Michigan VBID Center and Oregon public employee health plan
 - Council indicated interest in using VBID for both high-value and low-value services
- Based on Council discussions, DHMH prepared a VBID strategy document.



VBID Strategy

- Horizon Scan
 - Identify state employee health plans and other large employer health plans that use VBID, with special focus on value-based designs currently being used in Maryland
 - Cross-walk plans to identify most common services addressed and incentives utilized



VBID Strategy

- Compare to Evidence Base
 - Identify quality studies of effect of VBID on utilization/spending and quality of care/health outcomes.
 - Compare cross-walk of most common services and incentives to evidence base on VBID effectiveness
 - Develop list of most promising services to address and incentives to utilize



VBID Strategy

- Develop VBID criteria and designation levels
 - Based on evidence comparison described above, develop a set of criteria for what qualifies as VBID in Maryland.
 - This should include different levels of VBID designation for qualified health plans in the Maryland Health Benefits Exchange, as well as non-Exchange plans.
 - Identify any Maryland health plans that already meet criteria.



VBID Strategy

- Develop strategy for VBID and PCMH integration
 - When used in tandem, VBID and patient-centered medical home (PCMH) models have a synergistic relationship; incentives to use the highest-value services are aligned for patients and their providers.
 - Develop a strategy for integrating VBID into Maryland's Community-Integrated Medical Home (CIMH)



Discussion

